

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6854**

**BILL NUMBER:** HB 1249

**NOTE PREPARED:** Mar 14, 2008

**BILL AMENDED:** Mar 13, 2008

**SUBJECT:** Tuition Exemption for Purple Heart Recipients.

**FIRST AUTHOR:** Rep. Klinker

**FIRST SPONSOR:** Sen. Wyss

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (A) This bill provides that an Indiana resident who: (1) enters active duty service in the armed forces of the United States or the Indiana National Guard after September 10, 2001; (2) receives the Purple Heart decoration; and (3) satisfies other criteria; is exempt from tuition and fees at a state educational institution. The bill provides that the tuition and fee exemptions for Purple Heart recipients are not eligible for reimbursement by the state for the 2009 fiscal year.

(B) The bill provides that the tuition and fee exemption for: (1) certain children of veterans; (2) spouses and children of National Guard members; and (3) Purple Heart recipients; for a credit hour is equal to the cost of an undergraduate credit hour.

(C) The bill requires the Legislative Council to assign to a study committee the study of tuition and fee exemptions awarded by state educational institutions under reciprocity agreements with other postsecondary institutions.

**Effective Date:** Upon Passage; July 1, 2008.

**Explanation of State Expenditures:** (A) The impact would depend on the number of Indiana veterans who entered active service duty after September 10, 2001, and received a Purple Heart and that apply for the tuition and fees exemption after June 30, 2009. The state currently provides the tuition and fees exemption to children of Purple Heart recipients. For FY 2006-2007, 265 students qualified and the average fee exemption was about \$3,363.

According to the Indiana Department of Veterans Affairs, the Indiana National Guard has deployed 9,570

people since 9/11/2001. Of the 9,570 deployed, 63 National Guard members (0.66%) have been awarded Purple Hearts. It is estimated that 30,000 people have been on military active duty from Indiana since 9/11/2001. Assuming approximately the same percentage received a Purple Heart, then about 261 Purple Hearts would have been issued since 9/11/2001.

Assuming a 6% increase in tuition and fees per year and an estimated 261 Purple Heart recipients take advantage of the benefit, the cost of additional exemptions for state education institutions could be about \$986,232 for FY 2009 if all 261 Purple Heart recipients took advantage of the exemption. State educational institutions would have to pay the additional cost associated with the exemption for FY 2009 within existing revenue, and it would be built into the State Student Assistance Commission's FY 2010 budget.

(B) About 320 graduate students of 5,018 children of veterans and surviving children or surviving spouse of a National Guard member received about \$1.3 M of the \$17 M in tuition exemptions benefits for FY 2006-2007. The bill would reduce future tuition exemption costs by the difference in the cost of graduate and undergraduate school. The initial saving would be minor.

(C) This bill requires the Legislative Council to assign to a 2008 interim study committee the study of tuition and fee exemptions awarded by state educational institutions under reciprocity agreements. If the topic is assigned to an established committee, there should be no fiscal impact. However, if a new committee is established for this topic, Legislative Council resolutions in the past have established budgets for interim study committees in the amount of \$9,500 per interim for committees with fewer than 16 members.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** State Educational Institutions, Department of Veterans Affairs.

**Local Agencies Affected:**

**Information Sources:** Tom Applegate, Indiana Department of Veterans Affairs, 232-3910, Laurie Gavrin, State Student Assistance Commission, 234-5134.

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.